

Frequently Asked Questions: Fish and Wildlife Budgeting and Contracting

BPA's Division of Fish and Wildlife has recently outlined changes we will implement beginning this fiscal year, including shifting Integrated Program funding from obligation-based to accrual-based budgeting, and contract renewal guidelines that will further improve program efficiency.

As BPA project managers and contractors work together to implement these changes, some have asked for clarification on specific points. These questions and answers are posted here so that everyone may benefit from the same information.

1. Isn't the 3.4% Cost-of-Living Adjustment (COLA) an inflation increase, rather than a salary increase? Or does it mean that contractors may not give their employees a cost-of-living increase in FY 03?

It is correct to characterize the 3.4% COLA as an inflation increase. In the past, the Northwest Power Planning Council (Council) often added 3.4% of the current year budget to account for inflation in the following year's budget. Eliminating the 3.4% inflation increase does not mean contractors may not grant their employees a cost-of-living increase based on salary; contractors are free to increase salaries using their own funds, or within the existing budget without the 3.4% COLA.

2. Are the restrictions in spending outlined in Ms. McNary's November 20, 2002 letter (e.g., no conferences) retroactive to current contracts?

No. As stated above, the November 20 and December 31 guidelines apply to those contracts now awaiting renewal. Until the Council completes its prioritization process, contractors should continue work as specified the Statement of Work and Budget agreed upon in their current contracts. After the Council's process is complete, statements of work and budgets for current projects may be modified and contracts amended. Renewal guidelines will apply at the time of amendment.

3. Despite the November 20 letter from Ms. McNary, I have heard that there may be "extenuating circumstances" under which carryover might be allowed. What are these?

Carryover will not be used under any circumstances. If critical, time sensitive work must be performed while contract modifications are being negotiated, the Contracting Officer may issue written authorization for a limited duration.

4. I have a Council-approved new project, and am working with the COTR (Contracting Officer's Technical Representative) to get the SOW/budget approved. How do the contract renewal guidelines announced in the November 20 and December 31 letters affect my project? I have heard that I may have to make cuts. However, at the

beginning of the Provincial Review process, we were told that the review cycle in which our project fell would not affect ability to get funds.

The contract renewal guidelines apply to all Integrated Program contracts whose budgets are being negotiated with BPA, regardless of when those projects were approved in the Provincial Review process. In light of the financial crisis facing BPA, the Council has agreed to prioritize program spending so as not to exceed \$139 million in expense accruals annually through 2003-2006. After the Council has made its recommendations in late February 2003, and BPA adopts them, BPA will modify contracts accordingly.

5. I have a new project for which I just received signed a contract. Will budget cuts affect my new contract?

Maybe. While the guidelines published in the letters to contractors dated November 20, 2002 and December 31, 2002 apply only to those contracts currently awaiting renewal, all projects in the Integrated Program are subject to modification when the Council completes its prioritization process in late February 2003.

6. My current contract doesn't expire for about 6 months, but next years budget will affect how I spend time and energy during the last 6 months of my contract, as well as plan for next year. When will we have a decision about FY03 budgets? Can you give me at least some idea of what my budget will be?

The Council is expected to complete its process and make budget recommendations to BPA in late February 2003. Until new budgets are announced, contractors should continue work as planned using their current budgets.

7. How might I contribute to the discussion about how much money my project should get?

Project sponsors are always welcome to participate in the usual forums, including the Council and the Columbia Basin Fish and Wildlife Authority (CBFWA). The Council will be inviting public comment on its process to prioritize program spending. (See the Council's website: <http://www.nwcouncil.org>.) For those project sponsors who receive BPA funding, each contract negotiation renewal process provides additional opportunities to shape and prioritize the project budget.

8. One of the options in the past has been to use a No-Cost Time Extension to get me through the period during which the SOW/budget was being negotiated. However, there is no money left in my budget at this time. A large number of personnel are funded substantially or wholly on this contract. How can I plan for next year's activities (if I even get funded) or pay staff in the mean time, while projects are under review?

No-Cost Time Extensions will not be used to bridge the gap between contract expiration and a new funding amendment. Instead, the Contracting Officer will issue written authorization (not verbal) for the contractor to continue work on a limited basis within the Statement of Work and Budget estimate. The authorization will be for a specified, and very limited, time.

- 9. I read in Steve Wright's letter that BPA will no longer fund acquisitions or easement purchases. I assume that this refers to "easement leases" as well as outright purchases. Does this mean that we can no longer enter into these long-term agreements? This seems to fly in direct opposition to the BiOp direction to protect riparian areas where the emphasis has been to extend, rather than shorten these protections.**

The moratorium on land acquisitions and easement purchases is temporary. BPA will make every effort to work with project sponsors to preserve the option of completing the purchase at a future date. BPA is committed to meeting our obligations under the biological opinions, and has asked the Council to emphasize those actions needed for the 2003 and 2005 check-ins for the 2000 Federal Columbia River Power System Biological Opinion, as well as actions that preserve previous important investments of the Fish and Wildlife Program.

- 10. I had a request for budget changes to an existing contract to spend money that was forecast to be unspent for needed project activities/materials. I was asked to provide more information to justify the request than in the past. I was also informed that people above my COTR now have to review such requests, even if below the 5% that would trigger CO review. Most of the changes I requested were denied, even though they would not have changed the budget. Why are changes being more heavily scrutinized and denied?**

The COTR may approve budget line item transfers of dollar amounts less than 5% of the current funding budget; however, Fish and Wildlife Division managers (those "above the COTR") have always had the authority to review and approve or deny these requests. BPA scrutinizes project budgets to ensure that ratepayer funds are spent efficiently to obtain the maximum biological benefits for fish and wildlife, and because of our budget crisis, costs are being reviewed more often and more closely, consistent with the contract renewal guidelines published November 20 and December 31.